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SUBJECT: MALAWI AND ITS NEIGHBORS

¶1. (U) Summary: Malawi's role in the Southern African region is limited, as the GOM is primarily focused on internal politics and local economic development. While Malawi is a founding member of the Southern Africa Development Community (SADC), it is not particularly involved in the development or administration of the organization. However, Malawi's membership in the African Union's Peace and Security Council is enhancing its commitment to peace and security in SADC. Diplomatic relations between Malawi and its three immediate neighbors are strong. While Malawi and Zimbabwe are not neighbors they have a unique relationship based on close social, political and economic ties. End Summary.

Malawi and SADC

¶2. (U) Malawi was among the nine founding member countries of SADC's predecessor organization SADCC (Southern Africa Development Coordination Conference.) Former president Hastings Banda was originally against the idea of Malawi joining SADCC, as Malawi was at the time the only African country which had diplomatic relations with apartheid South Africa. However, Banda was eventually convinced that the organization could serve as a source of financial aid and provide economic benefits.

¶3. (U) Today Malawi sees SADC membership as a way of participating in regional social, political and economic issues. However, there is little interaction or integration with SADC on the ground in Malawi, outside of occasional conferences that local politicians attend abroad. Most GOM leaders have little to say regarding SADC's current role and its future development, and the GOM does not currently have a representative assigned to SADC headquarters in Botswana.

¶4. (U) The largest area of interaction between Malawi and other SADC members is in the area of trade. Sixty-six percent of Malawi's imports come from SADC countries, while twenty-eight percent of its exports go to SADC. Mozambique is Malawi's largest trading partner among its immediate neighbors, followed by Zimbabwe, Zambia and Tanzania, in that order.

¶5. (U) Another area where Malawi is engaged with SADC is in international peace-keeping. Malawi has made a commitment to a proposed SADC standing brigade of peacekeepers. Malawi's commitment is enhanced by the fact that it is a member of the African Union (AU) Peace and Security Council. The Malawi Defence Force (MDF) currently contributes a company (111 strong) to the United Nations peacekeeping mission to the Democratic Republic of Congo (DRC), which is also a member of SADC. Additionally, the GOM is currently considering a request to send a battalion of peacekeepers to join African Union missions in Somalia or Sudan.

¶6. (U) Currently Malawi is a member of two regional organizations, SADC and the Common Market for Eastern and Southern Africa (COMESA). While there is no specific deadline laid out, Ministry of Foreign Affairs officials say the GOM will "have to decide soon" which organization to resign from as the two organization duplicate tasks. It seems highly likely that Malawi, which considers itself to firmly be in "Southern Africa," will give up its position in COMESA if forced to make a decision between the two. However, as President Bingu wa Mutharika served as secretary general of COMESA, his attitude will be the key factor in this decision.

Malawi and its neighbors

¶7. (U) Malawi has cordial relations with all three of the countries across its borders. However, the level of Malawi's relationships with Tanzania, Zambia and Mozambique differ in scope and particular in focus. While not bordering Malawi, Zimbabwe has perhaps the most substantial ties to Malawi of any country in the region.

Malawi and Tanzania

¶8. (U) Diplomatic relations between Malawi and Tanzania are strong. In the 1960s and 1970s Malawi did not have diplomatic relations as Tanzania harbored opponents of former President Banda. Currently the main issue between the two countries is a debate over border demarcation. The Songwe River, which has historically served as the international boundary, has changed course, creating uncertainty as to where the real border lies. A Malawi-Tanzania Joint Project group is working on this issue, which is expected to be amicably settled. The group is also discussing possible construction of a hydro electric dam on the river which would benefit both countries.

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¶9. (U) The partition of Lake Malawi (known as Lake Nyasa in Tanzania) is also disputed. Tanzania claims international borders through the lake in line with the colonial borders between the then German and British territories before 1914; Malawi claims the whole lake area including the waters next to the Tanzanian shore. This is based on the British administration of both Tanganyika and Nyasaland after 1919 which put the whole lake under British Nyasaland for obvious practical reasons without a separate administration for the Tanganyika portion. Malawi's stance is supported by the Organization of African Unity (OAU) (the African Union's predecessor organization) position that all African countries at independence inherited borders set during the colonial era. The demarcation dispute has led to disagreements in the past. For the time being the conflict is dormant and Malawi has not tried to enforce its claims to the Tanzanian part of the lake area for several years.

¶10. (U) Currently Malawi and Tanzania, together with Mozambique and Zambia, are working on developing the Tanzanian Indian Ocean port of Mtwara, which lies just north of the Mozambican border and some 500 miles east of Lake Malawi. In late 2004 the leaders of the four countries met in Malawi to sign an agreement to push forward with plans for a Mtwara Development Corridor. The agreement envisions a wide-ranging development program aimed at improving trade, investment and tourism in the northern provinces of Malawi and Mozambique, the northern and eastern provinces of Zambia, and the southern regions of the United Republic of Tanzania. However, plans to implement the initiative have stalled as the GOM--the main force behind the agreement--has focused its attention on developing the Shire-Zambezi waterway in southern Malawi and, to a lesser extent, the Nacala corridor.

Malawi and Zambia

¶11. (U) Diplomatic relations between Malawi and Zambia are strong. Boundary claims have been amicably sorted out by a Malawi-Zambia Joint Commission and beacons are being constructed to clearly mark the territorial boundaries. As Zambia relies on transport through Malawi for an outlet to the Indian Ocean, regional transport remains the largest issue of collaboration and potential contention between

the two countries. Updating road extensions linking the two countries, such as construction of the Mchinji-Chipata rail line funded by the Zambian government and scheduled to begin in late 2007, is a viable area for future development.

¶12. (U) During the campaign for the recent Zambian presidential election, opposition leader Michael Sata took advantage of Malawi's diplomatic relations with Taiwan, traveling to Lilongwe at least two times to meet with Taiwanese government and business representatives. Sata's trips to Malawi and criticism of the PRC presence in Zambia gained substantial press coverage and forced the GRZ to defend its relationship with Beijing. To the extent that the GRZ believed Malawi was allowing Taiwan to give political and financial support to a leading opposition figure (and the President's nemesis), the incident could have strained relations between the two capitals. However, President Mutharika's attendance at Zambia's 2006 National Day celebration, where he was designated a guest of honor, showed that the GRZ had set aside any hard feelings over the matter.

Malawi and Mozambique

¶13. (U) Malawi is surrounded by Mozambique on most of its east, south and part of its west. There are no border disputes between the two countries.

¶14. (U) Between 1985 and 1995, Malawi accommodated more than a million refugees from Mozambique. The refugee crisis placed a substantial strain on Malawi's economy but also drew significant inflows of international assistance. The accommodation and eventual repatriation of the Mozambicans is considered a major success by international organizations.

¶15. (U) The largest current sector of overlap and interaction between Mozambique and Malawi comes on the side of transportation. Prior to the onset of the civil war in Mozambique in the 1970s, approximately 60 percent of Malawi's imports and exports were routed via rail to the Mozambican deep sea port of Beira. Though the railway became inoperable during the war, an important road route now links Malawi to Beira. Many of Malawi's imports, including approximately 60 percent of its fuel, are trucked in via this route. Mozambique has begun rehabilitation of the Sena Line to Beira within Mozambique, which is scheduled to reopen in 2009. Malawi could regain rail access directly to Beira by rehabilitating its

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section and linking up to the Sena Line.

¶16. (U) The Nacala corridor to Mozambique's Northern coast currently serves as Malawi's only all-rail route to port and provides another route for fuel imports into Malawi. Shipping volume via Nacala is relatively low at present owing both to port's degraded infrastructure, which has made shipping from the port unreliable, and the fact that road transport to other ports is currently less expensive and more dependable. Upgrades to Nacala's rail and port facilities are currently underway which should dramatically increase the efficiency of the Nacala corridor, making it a more attractive option.

¶17. (SBU) Despite these promising developments in regional rail options, the GOM, and President Mutharika in particular, is pushing to develop a Shire-Zambezi Waterway, in order to transport goods by ship from Southern Malawi through the Zambezi River to the central Mozambican coast. The concept is still in the early stages of pre-feasibility assessment, but is considered by many to be economically infeasible and lacking critical regional support. Most of the infrastructure investment required to realize this project would actually fall to Mozambique, which has not demonstrated any significant interest to date in developing a water transportation system, instead focusing on developing its rail lines.

Malawi and Zimbabwe

¶18. (U) While Malawi and Zimbabwe are not contiguous neighbors they

have had a much closer social, political and economic relationship. A significant number of Zimbabweans, with estimates ranging into the millions, are of Malawian origin. Both Malawi and Zimbabwe are former British colonies and former members of the Central African Federation which also included Zambia. Many Malawians were imported to Zimbabwe as laborers under the Federation. Also, a number of both white and black Zimbabwean expats--including the former Clerk of the Zimbabwean parliament, tourist operators, and a number of Zimbabwean farmers--are currently living and working in Malawi.

¶19. (U) In addition to the traditional historical similarities between the two countries, Malawi also currently has strong political ties with Zimbabwe. President Mutharika, whose wife is Zimbabwean, is a close personal friend to President Robert Mugabe. According to a Foreign Ministry official Malawi's stand on Mugabe is that he is being treated unfairly. There is a perception that the west keeps finding fault with Mugabe in an effort to dislodge him. The official pointed to the white farm seizures, the 2002 election and the 2005 demolitions of "illegal structures" as issues used by the west to demonize Mugabe. Malawian civil society's opposition to the naming of a highway after Mugabe showed that President Mutharika's support for Mugabe is not shared by all Malawians.

Comment

¶20. (SBU) Two potential developments within the region could prove to become major issues in Malawi. As noted above, if the GOM pushes forward with the development of the Shire-Zambezi Waterway it will have to enter into serious negotiations with the government of Mozambique, which would need to build the port. These could expose a crippling divergence of views, however, as Mozambique has shown no interest in developing the Shire-Zambezi waterway and instead remains focused on expanding its railroad routes and improving its existing ports. Further abroad, the political and economic situation playing itself out in Zimbabwe could have an enormous impact on Malawi, especially if it were to take a drastic turn for the worse. So far only a few Zimbabweans of Malawian origin have been repatriated to Malawi. Worsening economic conditions in Zimbabwe could enlarge the trickle of Zimbabweans arriving in Malawi. End Comment.

¶21. (U) This report has been coordinated informally with colleagues in Dar es Salaam, Maputo, Harare and Lusaka.

EASTHAM